



# *Louisiana Housing Finance Agency*

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## **LHFA Board Approves Developer Services Agreement for Katrina Cottages**

*Baton Rouge, LA (September 27, 2007)* - At a special meeting held September 26, 2007, the Board of Commissioners for the Louisiana Housing Finance Agency approved the Developer Services Agreement that will allow for the construction of "Katrina Cottages" using money from the Alternative Housing Pilot Program Grant from FEMA. The \$74.5 million dollar grant was awarded to the Louisiana Housing Finance Agency on September 17, 2007. The Cypress Group and its team members were selected by FEMA and will act as the developers for the yet to be chosen sites. The LHFA will administer oversight and the social services functions of the agreement.

The realization of this program will result in the construction of "Katrina" and "Carpet" cottages, small, quickly assembled homes that can be used as transitional housing following natural disasters. The homes range from 612 to 1,800 square feet in size. They can be used as temporary, transitional housing, or they can be added to and made permanent structures as part of long-term rebuilding plans.

"We are delighted to have drafted a document that will allow for this project to begin," said LHFA President Milton Bailey. "We are also pleased to have structured it in such a way as to allow for the construction of as many homes as possible. With effective oversight from this agency and efficient work from the Cypress Group, we should be able to squeeze as many homes as possible out of this grant award." According to the projected budget, over 525 housing units will come on line. Social services will also be provided to aid in the transitioning of residents into their new homes.

As the program moves forward, the LHFA Board of Commissioners will continue to oversee and approve the work of the developers. This will include the final approval of site locations, subcontractor contracts and budgetary issues. "Everyone should know that

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the LHFA Board is extremely interested in delivering as many units as possible,” said LHFA Board Chairman Wayne E. Woods. “All recipients of funds, including LHFA, should keep expenses to the minimum so as to deliver the maximum units possible.”

For its part, the LHFA will provide the day-to-day processing of the grant and oversight of the developer, as well as supervising the implementation of the social services components of this innovative pilot program. They will provide a Social Services Coordinator to help transition residents into the newly constructed developments, spearhead a community outreach campaign and implement a renter’s assistance program for those who qualify. There will also be a Community Empowerment Fund and a Down Payment Assistance Program that will help residents turn their long-term housing goals in to a reality.

*The Louisiana Housing Finance Agency (LHFA) was created by the Louisiana Legislature to address the shortage of safe and affordable housing in Louisiana. Since 1980, LHFA has administered federal and state funds through programs designed to advance the development of energy efficient and affordable housing for low and moderate income families. Post-Katrina, LHFA has been a viable resource in the development of rental housing and homeownership finance opportunities.*